While the invention has been described with reference to one or more preferred embodiments, such embodiments are merely exemplary and are not intended to be limiting or represent an exhaustive enumeration of all aspects of the invention. The scope of the invention, therefore, shall be defined solely by the following claims.

What is claimed is:

1. An apparatus for managing telephone activity in an institution, said apparatus comprising:

(1) a first communication connection to an institutional caller wishing to place an outside call;

(2) a second communication connection to the called party on an outside line;

(3) a processor, coupled to said first communication connection, which interacts with said institutional caller and with said called party to determine whether to connect said institutional caller with an outside line;

(4) a database of institutional caller parameters, referenced by said processor, containing parameters

relevant to whether said institutional caller may be connected to an outside line;

(5) switching means coupled to the internal and external telephone lines, for connecting said communications connections;

(6) a storage device coupled to the processor for recording conversations on the telephone line; and

(7) a monitoring device for monitoring said coupled communication connection, wherein said monitor is responsive to the occurrence of a pre-defined set of signals and wherein said coupled communication connection is recorded or terminated based upon said set of signals.

2. A method of managing telephone activity in an institution comprising the steps of:

(1) receiving, on an in-house telephone line, a communication connection initiated by an institutional caller (the "calling party"), who wishes to call an outside recipient (the "called party");

(2) identifying the calling party and the number of the called party;

(3) verifying the calling party's account against predetermined administrative parameters;

(4) on a second communication connection, automatically setting up the call which the calling party wishes to place, while the calling party remains on the first communication connection, by: (a) calling said outside recipient (called party), (b) providing the identity of said institutional caller to said outside recipient and (c) receiving a response from said outside recipient; and (d) determining, based upon said response, whether to connect the institutional caller to the outside recipient, and whether to indicate any of a plurality of messages to the calling party;

(5) providing the called party with the option, via a voice prompt menu, of prohibiting any future calls from the particular institutional caller or, if desired, prohibiting calls from any person within the institution and/or related institutions;

(6) based upon the results of (4) and (5) above, connecting the calling party to the called party, thus forming a coupled communication connection;

(7) monitoring said coupled communication connection for an event selected from the group consisting of: (a) detecting that the parties have hung up, (b) detecting that the called

party no longer wishes to receive communications from the calling party, (c) determining that the call no longer satisfies the administrative parameters (i.e. insufficient funds in account, maximum calling minutes per day exceeded, etc), (d) detecting keywords which indicate that illegal or fraudulent activity is being transacted, and (e) detecting other communication signals that indicate that illegal or fraudulent activity is being transacted;

(8) recording the communication connection, based upon administrative parameters and the results of (7) above, without the parties having any indication of the recording; and

(9) monitoring, in real-time, the communication connection without the parties having any indication of the monitoring.

3. An apparatus for managing telephone activity in an institution, said apparatus comprising:

(1) a means for receiving, on an in-house telephone line, a communication connection initiated by an institutional caller (the "calling party"), who wishes to call an outside recipient (the "called party");

(2) a means for identifying the calling party and the number of the called party;

(3) a means for verifying the calling party's account against predetermined administrative parameters;

(4) a means for automatically setting up the desired telephone call on a second communication connection via an outside line, while the calling party remains on the first communication connection, by: (a) calling said outside recipient (called party), (b) providing the identity of said institutional caller to said outside recipient and (c) receiving a response from said outside recipient; and (d) determining, based upon said response, whether to connect the institutional caller to the outside recipient, and whether to indicate any of a plurality of messages to the calling party;

(5) a means for providing the outside recipient with the option, via a voice prompt menu, of prohibiting any future calls from the particular institutional caller or, if desired, prohibiting calls from any person within the institution and/or related institutions;

(6) a means for connecting the calling party to the called party, thus forming a coupled communication connection;

(7) a means for monitoring said coupled communication connection, without the connected parties having any

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indication of the monitoring, for an event selected from the group consisting of: (a) detecting that the parties have hung up, (b) detecting that the called party no longer wishes to receive communications from the calling party, (c) determining that the call no longer satisfies the administrative parameters (i.e. insufficient funds in account, maximum calling minutes per day exceeded, etc), (d) detecting keywords which indicate that illegal or fraudulent activity is being transacted, and (e) detecting other communication signals that indicate that illegal or fraudulent activity is being transacted;

(8) a means for recording the communication connection, based upon administrative parameters and the results of (7) above, without the parties having any indication of the recording; and

(9) a means for monitoring, in real-time, the communication connection without the parties having any indication of the monitoring.